

# State of Connecticut

NANCY WYMAN  
COMPTROLLER



Hartford

MARK E. OJAKIAN  
DEPUTY COMPTROLLER

July 8, 2004

Michael K. Powell, Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: MB Docket No. 04-207

Dear Chairman Powell:

I am writing in opposition to the proposed "a la carte" cable system being considered in Congress, as it does not benefit consumers.

The finest quality of our current cable system is its ever-increasing diversity. Over the past twenty years, the number of cable program networks has grown from 28 to 339, with the array of programs offered on existing networks dramatically increasing annually. With the improved diversification of programming, American consumers have benefited from exposure to important channels that support varied voices, such as BET, Telemundo, TV One, ESPN Deportes, C-SPAN and The Learning Channel. Correspondingly, the viewing of cable programming has steadily increased.

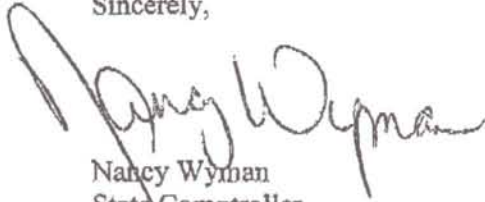
The economics of the cable industry are based on licensing agreements between cable programmers and operators, the costs of which are passed onto consumers, and national and local advertising. Advertising earnings are generally based on the number of viewers a channel attracts. If a channel appeals to a specialized audience, under the "a la carte" system, its viewership will decline, as occasional viewers today would no longer subscribe. Loss of these viewers and those who might watch these channels regularly and not when offered "a la carte" will severely reduce advertising revenue and increase the cost of licensing agreements with the costs passed onto consumers.

Further, if channels do not have adequate revenue, the quality and diversification of programming will decrease. Judith McHale, President of Discovery Communications, has argued that "Discovery's award-winning networks will not exist in an *a la carte* environment and consumers will have lost the channels they regard as the pre-eminent source of high quality, family-friendly programming." Many of these channels will be forced out of business. We will no longer be able to enjoy the diverse programming of today.

An impressive and vibrant cable programming industry has developed without the need of government regulation. Cable offers consumers an incredible entertainment and educational value. Please help sustain this system and do not support the "a la carte" proposal.

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Nancy Wyman". The signature is fluid and cursive, with a large initial "N" and a long, sweeping underline.

Nancy Wyman  
State Comptroller

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